PAYSLIPS AND CODING NOTICES

This Help Sheet tells you where to get information to help you:

- **enter the correct pay and tax details in the Employment Pages of your Tax Return, and**
- **if you have decided to calculate your tax,**
  - **enter figures in boxes w74 and w78 in the standard Tax Calculation Guide Working Sheet, or**
  - **enter figures in boxes c7.55 and c7.59 in the Comprehensive Tax Calculation Guide Working Sheet, and**
  - **fill in boxes 18.1 and 18.2 on page 7 of your Tax Return.**

PAY AND TAX DETAILS

You might have several documents which show pay and tax details for employments you had in the tax year. Remember, if you had more than one employment in the tax year you have to complete separate sets of Employment Pages - see the Notes on Employment. Documents you might have are:

- a P60 if you were in employment on 5 April - see the example on page 2. Each employer for whom you worked on that date should give you a P60 by 31 May
- a P45 (Part 1A) if you left any job during the year - see the example on page 3. Each time you leave a job your employer should give you three parts of a P45. You should have kept Part 1A and given Parts 2 and 3 to your next employer, if you started a new job in the tax year
- payslips. Most employers give employees payslips when their wage or salary is paid. These show details of pay and tax, sometimes just for the pay period, but often from the beginning of the tax year, or the start of the job. Although it is a good idea to keep these slips, the P60s and P45s should provide you with the information you need for completing your Tax Return.

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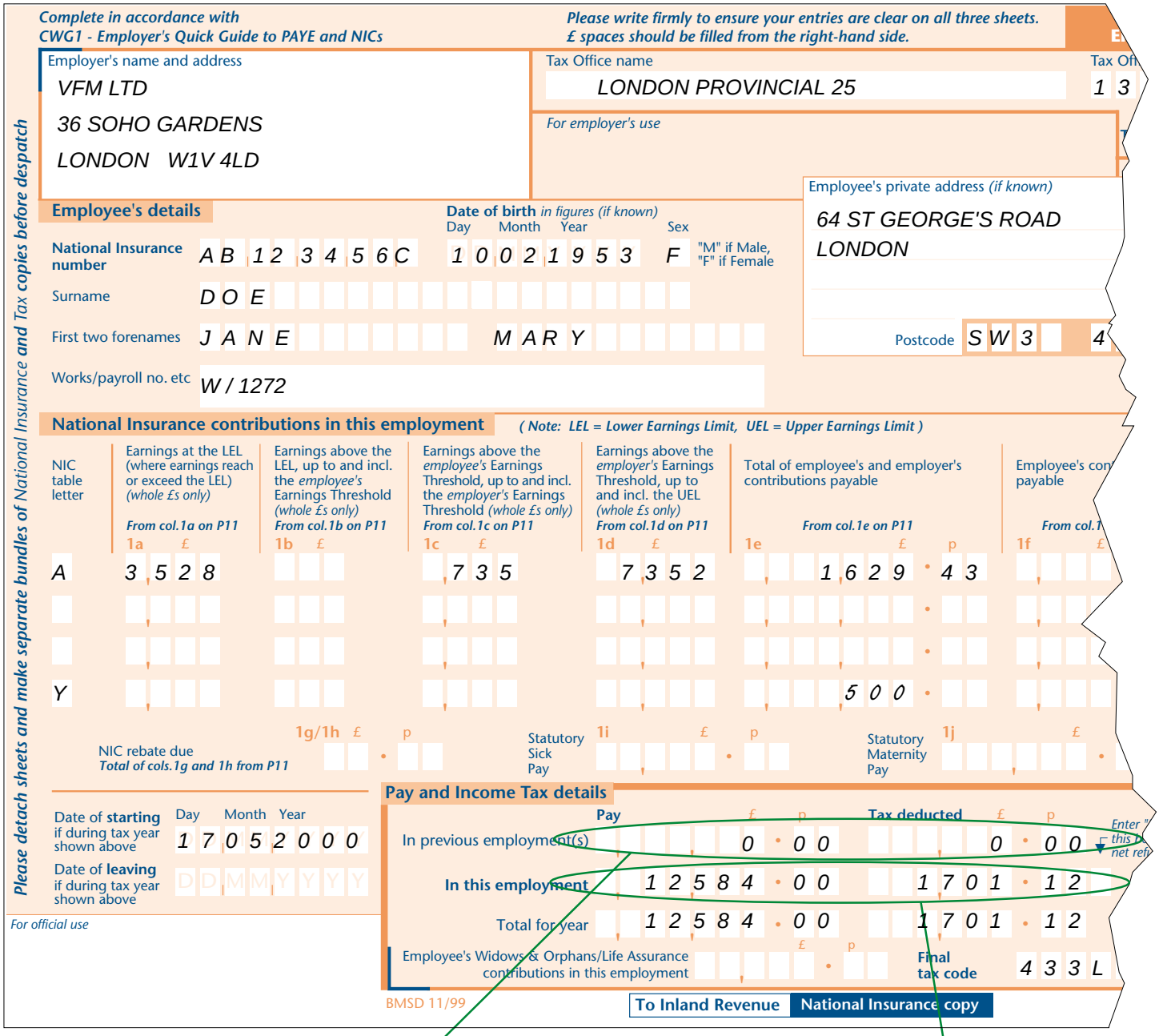
P60

Employers are allowed to design their own form, as long as they agree it with the Inland Revenue. But whatever the design, the information you need for your Tax Return will be shown on it somewhere. The P60 End of Year Certificate shown below is the Inland Revenue's standard design. It shows the information required to complete the Employment Pages of your Tax Return.



Please detach sheets and make separate bundles of National Insurance and Tax copies before despatch

Complete in accordance with CWG1 - Employer's Quick Guide to PAYE and NICs

Please write firmly to ensure your entries are clear on all three sheets. £ spaces should be filled from the right-hand side.

Employer's name and address: VFM LTD, 36 SOHO GARDENS, LONDON W1V 4LD

Tax Office name: LONDON PROVINCIAL 25

Tax Off: 1 3

For employer's use

Employee's private address *(if known)*: 64 ST GEORGE'S ROAD, LONDON

Postcode: SW3 4

Employee's details

National Insurance number: AB 12 34 56 C

Date of birth *in figures (if known)*: Day 10 Month 02 Year 1953

Sex: F ("M" if Male, "F" if Female)

Surname: DOE

First two forenames: JANE MARY

Works/payroll no. etc: W/1272

National Insurance contributions in this employment *(Note: LEL = Lower Earnings Limit, UEL = Upper Earnings Limit)*

NIC table letter	1a Earnings at the LEL (where earnings reach or exceed the LEL) *(whole £s only)* From col.1a on P11 £	1b Earnings above the LEL, up to and incl. the *employee's* Earnings Threshold *(whole £s only)* From col.1b on P11 £	1c Earnings above the *employee's* Earnings Threshold, up to and incl. the *employer's* Earnings Threshold *(whole £s only)* From col.1c on P11 £	1d Earnings above the *employer's* Earnings Threshold, up to and incl. the UEL *(whole £s only)* From col.1d on P11 £	1e Total of employee's and employer's contributions payable From col.1e on P11 £ p	1f Employee's con payable From col.1 £
A	3528		735	7352	1629.43	
					.	
					.	
Y					500.	

NIC rebate due *Total of cols.1g and 1h from P11* 1g/1h £ p

Statutory Sick Pay 1i £ p

Statutory Maternity Pay 1j £

Pay and Income Tax details

	Pay £ p	Tax deducted £ p
In previous employment(s)	0.00	0.00
In this employment	12584.00	1701.12
Total for year	12584.00	1701.12

Enter " this P net refu

Employee's Widows & Orphans/Life Assurance contributions in this employment £ p

Final tax code: 433L

Date of **starting** if during tax year shown above: Day 17 Month 05 Year 2000

Date of **leaving** if during tax year shown above: DD MM YY

For official use

BMSD 11/99

To Inland Revenue | **National Insurance copy**

If there are any figures in these boxes, you will need to refer to P45s (Part 1A) (see page 3) before completing a set of Employment Pages for any previous job(s).

On the set of Employment Pages that apply to this P60, enter these figures in boxes 1.8 and 1.11.

Enter in your Employment Pages only the figure of pay used by your employer to calculate your tax deductions. This is usually described on your P60 as 'In this employment' or 'This employment pay for tax purposes'. To arrive at this figure your employer will usually have deducted from your gross pay certain items, such as your pension contributions (and gifts to charity under Payroll Giving). Some employers show the pension contributions you have paid. (Make sure that you do not include these contributions in the figures you give for employment income in your Employment Pages.)

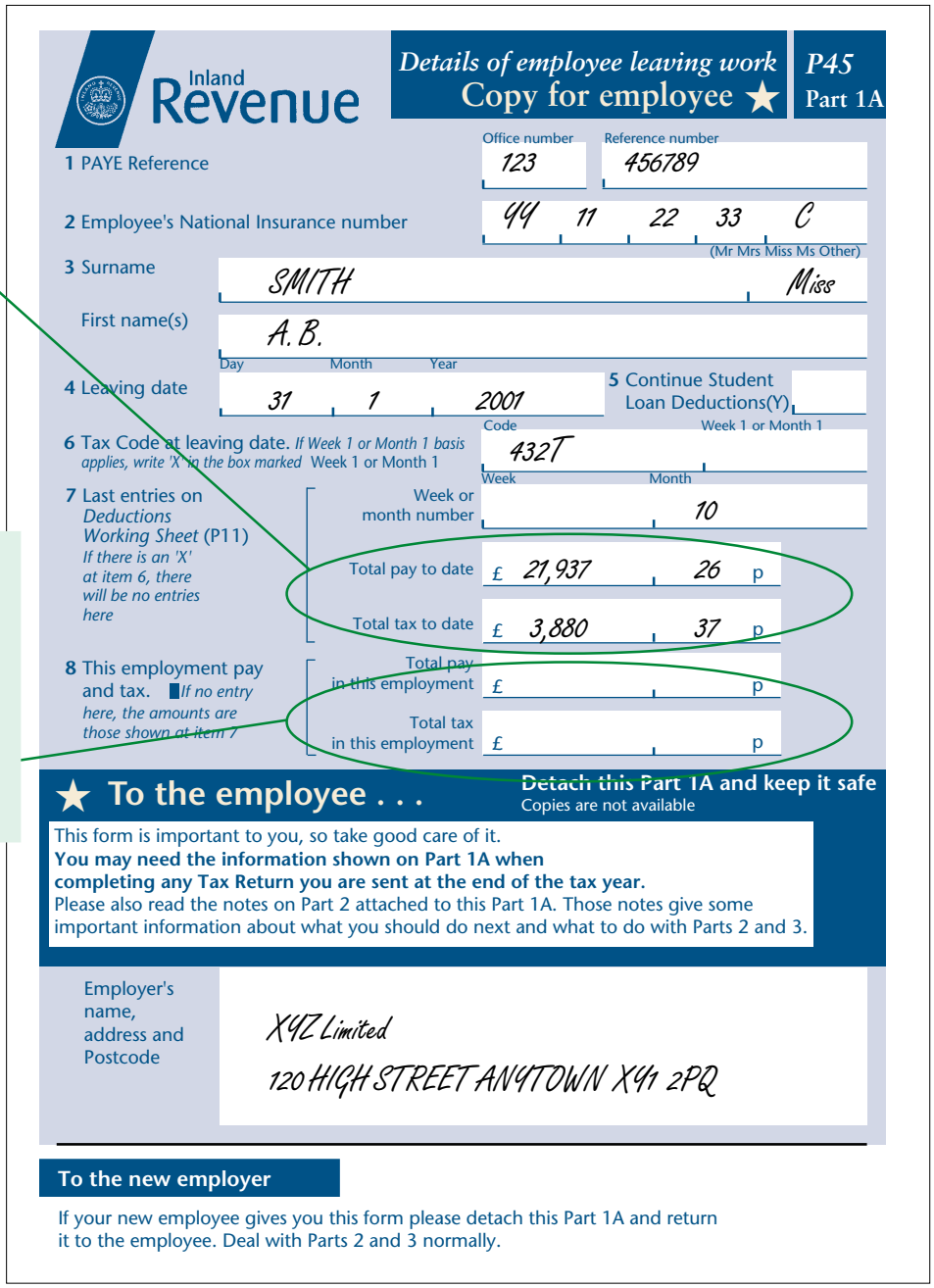
P45 (Part 1A)

You should have a P45 (Part 1A) for each job you had during the year other than one for which you got a P60 (because you were in that employment on 5 April). A **separate set** of Employment Pages must be completed for **each** of your previous employments. P45s are the easiest way to find the figures for the set of Employment Pages for each of your previous employments.

P45 (Part 1A) looks like this.

On the set of Employment Pages that apply to this P45, enter these figures in boxes 1.8 and 1.11.

If there are entries at item 7 copy the figures to boxes 1.8 and 1.11 on the Employment Pages for this P45. But there may not be any entries at item 7 because this was the only job you had since 5 April. In that case the entries at item 6 on the P45 **are** the pay and tax for 'this employment' and you should copy the item 6 figures to boxes 1.8 and 1.11.



Inland Revenue

Details of employee leaving work
Copy for employee ★

P45 Part 1A

1 PAYE Reference — Office number: 123 — Reference number: 456789

2 Employee's National Insurance number: 44 11 22 33 C

3 Surname: SMITH — (Mr Mrs Miss Ms Other): Miss

First name(s): A. B.

4 Leaving date (Day Month Year): 31 1 2001

5 Continue Student Loan Deductions(Y) — Code:

6 Tax Code at leaving date. *If Week 1 or Month 1 basis applies, write 'X' in the box marked* Week 1 or Month 1: 432T (Week / Month) — Week 1 or Month 1:

7 Last entries on *Deductions Working Sheet* (P11) *If there is an 'X' at item 6, there will be no entries here* — Week or month number: 10

Total pay to date: £ 21,937 26 p

Total tax to date: £ 3,880 37 p

8 This employment pay and tax. *If no entry here, the amounts are those shown at item 7*

Total pay in this employment: £ p

Total tax in this employment: £ p

★ To the employee . . .

Detach this Part 1A and keep it safe
Copies are not available

This form is important to you, so take good care of it.
You may need the information shown on Part 1A when completing any Tax Return you are sent at the end of the tax year.
Please also read the notes on Part 2 attached to this Part 1A. Those notes give some important information about what you should do next and what to do with Parts 2 and 3.

Employer's name, address and Postcode: XYZ Limited, 120 HIGH STREET ANYTOWN XY1 2PQ

To the new employer

If your new employee gives you this form please detach this Part 1A and return it to the employee. Deal with Parts 2 and 3 normally.

Payslips

It will probably be more difficult to find the right figures in your payslips than to use P60s and P45s. But payslips can be a useful way to check that the figures you have used are the right ones.

COLLECTING TAX UNPAID FOR EARLIER YEARS THROUGH YOUR PAYE CODE FOR ANOTHER YEAR

You should have kept all the PAYE coding notices, forms P2, which you received from the Inland Revenue. Your tax code for the tax year may have been adjusted to collect tax unpaid in an earlier year. Similarly, your tax code for the year after the tax year may have been adjusted to collect tax for the Tax Return year. The latest coding notice for each tax year will show the amount of the tax that is being collected in this way, as illustrated below. If you are calculating your own tax bill on your Tax Return, take the amount of these underpayments into account or your tax bill will be too high. You should therefore refer to:

- the last P2 you received for the Tax Return year
- the last P2 you have received for the year **after** the Tax Return year.

If you did not keep your last P2, or have lost it, contact your Inland Revenue office.

A Coding Notice, P2, looks like this.

Inland Revenue

PAYE Coding Notice

This form shows your tax code for the tax year 2000-2001

Please keep all your coding notices. You may need to refer to them if you have to fill in a Tax Return.

Mr A Taxpayer
The Larches
9 The Avenue
LONDON
SW25 2NR

Mr A N Inspector
HM Inspector of Taxes
London Provincial 47
Central Houses
ANYTOWN AN2 3PS

Tax Office telephone	Date of issue
01900 24680	11 JUN 2000

*Please quote your Tax reference **and** National Insurance number if you contact us*

Tax reference	National Insurance number
899/A/122/H	QQ123456A

If you calculate your tax, copy this figure, from the latest P2 for the Tax Return year, to box w74 (or box c7.55) in the Tax Calculation Guide Working Sheet and to box 18.1 on page 7

Your tax code for the year shown above is 263T

This tax code is used to deduct tax payable on your income from
ALBATROSS HOLDINGS PLC

If you move to another job, your new employer will normally continue to use this tax code.
The tax code is worked out as follows:

The ***See note*** columns below refer to the numbered notes in the guidance leaflet **P3: Understanding Your Tax Code.** Leaflet P3 also tells you about the **letter part** of your tax code.

Check that the details are correct. If you think they are wrong, or you have any questions, contact your Tax Office (details above).

This coding notice replaces any previous notice for the year. You should pass it to your tax adviser if you have one.

See note	Your tax allowances	£
1	PERSONAL ALLOWANCE	4385
	Total allowances **A**	4385

See note	Amounts taken away from your total allowances	£
33	UNTAXED INTEREST	250
30	CAR BENEFIT	750
39	UNPAID TAX £300.00	750
	Total deductions **B**	1750

C Your tax free amount for the year is £ 2635 , making your tax code 263T *See example overleaf*

If necessary we will use this box to give you further information about your tax code

Your tax code has changed. Your tax free amount has gone down. You will pay more tax for the rest of this year. Our estimate of the underpayment for the earlier part of the year is £150. We will normally collect any underpayment by making an adjustment to your tax code for the next tax year.

If you calculate your tax, copy this figure from the latest P2 you have received for the Tax Return year to box w78 (or box c7.59) in your Tax Calculation Guide Working Sheet and to box 18.2 on page 7 of your Tax Return.

These notes are for guidance only, and reflect the position at the time of writing. They do not affect any rights of appeal.